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**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:)	Chapter 11
)	
DELPHI CORPORATION, et al.,)	Case No. 05-44481 (RDD)
)	
Debtors.)	Jointly Administered
)	

**STATEMENT OF THE OFFICIAL COMMITTEE OF UNSECURED
CREDITORS IN SUPPORT OF THE EXPEDITED MOTION FOR ORDER
AUTHORIZING AND APPROVING THE EQUITY PURCHASE AND
COMMITMENT AGREEMENT PURSUANT TO SECTIONS
105(a), 363(b), 503(b) AND 507(a) OF THE BANKRUPTCY CODE AND
THE PLAN FRAMEWORK SUPPORT AGREEMENT PURSUANT TO
SECTIONS 105(a), 363(b) AND 1125(e) OF THE BANKRUPTCY CODE,
WITHDRAWAL OF PRELIMINARY OBJECTION THERETO, AND
WITHDRAWAL OF OBJECTION TO DEBTORS' MOTION FOR
ORDER EXTENDING EXCLUSIVE PERIODS WITHIN WHICH
TO FILE AND SOLICIT ACCEPTANCES OF REORGANIZATION PLAN**

The Official Committee of Unsecured Creditors (the "Committee") appointed in the chapter 11 cases of Delphi Corporation, *et al.* (the "Debtors"), by and through its counsel, hereby files this statement with respect to the *Expedited Motion for Order Authorizing and Approving the Equity Purchase and Commitment Agreement Pursuant to Sections 105(a), 363(b), 503(b) and 507(a) of the Bankruptcy Code and the Plan Framework Support Agreement Pursuant to*

Sections 105(a), 363(b) and 1125(b) of the Bankruptcy Code (the “Motion”).¹ The Committee respectfully states as follows:

BACKGROUND

1. On October 8, 2005 (the “Petition Date”), thirty-nine of the Debtors filed with this Court voluntary petitions for relief under chapter 11 of the Bankruptcy Code. On October 14, 2005, the three remaining Debtors also filed voluntary petitions.

2. The Committee was appointed nine days after the Petition Date, on October 17, 2005.² Shortly thereafter, the Committee selected Latham & Watkins LLP as its counsel, Mesirow Financial Consulting LLC as its financial advisor and Jefferies & Company, Inc. as its investment banker.

3. On December 18, 2006, the Debtors filed a motion with this Court seeking an order (a) approving and authorizing them to enter into that certain Equity Purchase and Commitment Agreement (the “EPCA”) among Delphi Corporation, A-D Acquisition Holdings, LLC, Harbinger Del-Auto Investment Company, Ltd., Dolce Investments LLC, Merrill Lynch, Pierce, Fenner & Smith Incorporated and UBS Securities LLC,³ (b) authorizing them to pay certain fees to (i) a group of investors (the “Appaloosa Group”) led by Appaloosa Management L.P. (“Appaloosa”)⁴ and (ii) Cerberus Capital Management L.P. (“Cerberus” and together with the Appaloosa Group, the “Proposed Investors”), and (c) approving and authorizing them to

¹ Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Motion.

² The following members originally were appointed to the Committee: (a) Capital Research and Management Company; (b) Electronic Data Systems Corp.; (c) Flextronics International Asia-Pacific, Ltd.; (d) Freescale Semiconductor, Inc.; (e) General Electric Company; (f) IUE-CWA and (g) Wilmington Trust Company, as Indenture Trustee. Flextronics International Asia-Pacific, Ltd. has resigned from the Committee, and Tyco Electronics Corporation has since been appointed to the Committee. The Pension Benefit Guaranty Corporation and the UAW have been added as *ex officio* members of the Committee.

³ A-D Acquisition Holdings, Inc. is an affiliate of Appaloosa, Harbinger Del-Auto Investment Company, Ltd. is an affiliate of Harbinger Capital Partners Master Fund I, Ltd., and Dolce Investments LLC is an affiliate of Cerberus.

⁴ The Appaloosa Group also includes Harbinger Capital Partners, Merrill Lynch, Pierce, Fenner & Smith Incorporated and UBS Securities LLC.

enter into that certain Plan Framework Support Agreement (the “PSA”) among Delphi Corporation, GM, Appaloosa, Cerberus, Harbinger Capital Partners Master Fund I, Ltd., Merrill Lynch, Pierce, Fenner & Smith Incorporated and UBS Securities LLC.

4. On December 19, 2006, the Committee filed its preliminary objection to the Motion (the “Preliminary Objection”), in which it outlined its objections to the Motion in summary fashion and reserved the right to file one or more supplemental objections. Thereafter, the Equity Committee, an ad hoc committee of trade claim holders, the IUE-CWA, the International Union of Operating Engineers Local Union Nos. 18S, 101S and 832S, the International Brotherhood of Electrical Workers Local 663 and the International Association of Machinists and Aerospace Workers District 10, the United States Trustee and Highland Capital Management, LP and certain of its affiliates each filed objections to the Motion.

5. After a December 21, 2006 chambers conference concerning certain discovery disputes, the Court entered a pretrial and scheduling order relating to the Motion. In accordance with that pretrial and scheduling order, on December 26, 2006 the Committee, the Equity Committee and an ad hoc committee of trade claim holders each delivered to the Debtors, GM, Appaloosa and Cerberus written statements identifying potential ambiguities in the EPCA or the PSA. On December 29, 2006 the Debtors delivered an omnibus response to those written statements, which response was acknowledged by GM, Appaloosa and Cerberus. That response amended the EPCA and the PSA to clarify some ambiguities therein.

6. After the Committee filed the Preliminary Objection, the Committee, the Proposed Investors and the Debtors engaged in discussions seeking to address issues with the EPCA, the PSA and the proposed order granting the Motion that the Committee raised in the Preliminary Objection and in comments that the Committee provided to those documents.

Following the discussions, the Proposed Investors and the Debtors have agreed to make certain changes to those documents.

STATEMENT

7. As a result of the changes that the Plan Investors and the Debtors have made to the EPCA, the PSA and the proposed order granting the Motion, the Committee is withdrawing the Preliminary Objection and now supports the relief sought in the Motion. The Committee believes that, with those changes, this relief represents an appropriate expenditure of estate resources to move forward with a plan process in a manner consistent with (and subject to) the fiduciary duties of all involved.

8. The Committee also hereby withdraws its objection filed on January 4, 2007 to the Debtors' motion for an order extending their exclusive periods within which to file and solicit acceptances of a reorganization plan. The Committee reserves the right to seek to shorten the Debtors' exclusive periods based upon subsequent events, including but not limited to the termination of the EPCA or PSA by any party.

WHEREFORE, the Committee respectfully requests that this Court (a) grant the Motion (subject to the revision of the EPCA, PSA and proposed order as agreed to by the Committee, the Plan Investors and the Debtors) and (b) grant the Committee such other relief as is just and proper.

Dated: January 10, 2007
New York, New York

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